

**BEFORE THE SEATTLE ETHICS AND ELECTIONS COMMISSION**

In the matter of	)	No. 13-1-0913-1
	)	
	)	
CIVIC ALLIANCE FOR A	)	SETTLEMENT AGREEMENT
SOUND ECONOMY	)	
_____	)	

This settlement is made between Civic Alliance for a Sound Economy ("CASE") and the Executive Director of the Seattle Ethics and Elections Commission (the "Director"). Upon approval by the Seattle Ethics and Elections Commission (the "Commission"), the following findings, conclusions and agreements shall be binding upon CASE, the Director, and the Commission (the "Parties"), and their successors, heirs and assigns, and shall constitute the complete agreement between the Parties.

CASE and the Director agree to the following:

**FINDINGS OF FACT**

1. Prior to the August 2013 primary election, the Civic Alliance for a Sound Economy (CASE) endorsed several candidates in local races, including Ed Murray for Mayor.
2. In advance of the primary election, CASE made contributions directly to candidates in 12 different races. CASE also made contributions to two Independent Expenditures Committees: \$2,750 to Great Seattle Schools, and \$52,500 to People for Ed Murray (PEM).
3. On occasions when potential donors to CASE expressed particular interest in the Mayor's race, CASE representatives informed such individuals that they could, rather than contributing to CASE, which might use the money for any of several purposes, instead donate directly to entities who would expend funds only in the Mayor's race.
4. On or after July 11, after an earlier conversation between Vulcan representatives and the Chamber of Commerce's President, Phillip Fujii of Vulcan and George Allen, CASE's Executive Director, discussed a contribution from Vulcan to CASE.

5. In a subsequent telephone conversation, Fujii told Allen that Vulcan would commit to a contribution to CASE. Vulcan requested that (1) its contribution to CASE be used for the Mayor's race, (2) its contribution be used in the primary, (3) its contribution not be used for negative campaigning against the Mayor, and (4) that no portion of the contribution be used to support the Mayor's opponent in the General election.

6. Immediately following that conversation, Allen sent Fujii an e-mail similar to emails CASE had sent to other potential CASE contributors, which stated that CASE was raising money to support several "key races," including Ed Murray for mayor, Stephanie Bowman for port commissioner, and Suzanne Dale-Estey for Seattle school board. The e-mail requests "a donation to CASE today" to help "elect the leaders of tomorrow," and help CASE impact the various races in which it had made endorsements.

7. On July 15, 2013, CASE contributed \$25,000 to PEM.

8. On July 24, Allen e-mailed Rachel Padgett, a fundraiser for PEM, that "[a] hefty check is coming in today/tomorrow that will ensure the buffer we need for our next contribution to you for \$15K." The e-mail goes on to list five components of CASE's fulfillment of a \$50,000 pledge to support PEM: (1) the \$25,000 contribution CASE made on July 15, (2) a \$1,000 contribution solicited by CASE but made directly to PEM by Mark Dyce of 206Inc., (3) a \$2,000 contribution solicited by CASE but made directly to PEM by PEMCO Insurance, (4) an impending \$15,000 contribution, and (5) a check to be cut at a future date in the amount of \$7,000.

9. On July 24 or 25, Fujii delivered a \$15,000 check to CASE.

10. Between July 24 and August 2, CASE received a total of \$12,000 in contributions in addition to the \$15,000 contribution from Vulcan; a \$1,000 contribution on July 24, and two contributions in the amount of \$500 and one in the amount of \$10,000 on July 31.

11. On August 2, 2013, CASE contributed \$17,500 to PEM.

12. There is no evidence that the People for Ed Murray or Ed Murray for Mayor had knowledge of the communications between Vulcan and CASE, or sought in any way to conceal the source of any contribution made to the People for Ed Murray or Ed Murray for Mayor.

13. Except as set out above, there is no evidence that any CASE contributor sought to instruct any CASE representative that a contribution be used to support any specific candidate.

#### CONCLUSIONS OF LAW

1. When CASE (1) accepted a check from Vulcan that came with the instructions that it be used for an independent expenditure in the mayoral primary, and (2) used Vulcan's \$15,000 check towards fulfilling its pledge to PEM and in accordance with Vulcan's instructions, CASE violated SMC 2.04.290.A by causing Vulcan's identity as the source of the contribution to PEM to be concealed, and SMC 2.04.290.B, by causing Vulcan to be omitted from the list of PEM's top five contributors.

#### AGREEMENT

1. CASE acknowledges that it violated Seattle's Elections Code as described above.
2. CASE agrees to pay the City of Seattle \$1,500 for the violations described above.

The Director agrees to suspend \$750 of the penalty so long as CASE does not commit another material violation of the Elections Code through the close of the 2015 election cycle.

3. The Parties agree that this settlement agreement, upon the Commission's approval, will constitute, insofar as is legally possible, a full and final settlement between the Parties, as to any violation of the Seattle Elections Code related to the findings of facts cited above. The Parties, release, acquit and discharge each party, its present or former officials, employees, agents, representatives, heirs and assigns from all present claims, demands, damages, costs (specifically including attorney's fees and costs), actions or causes of action which arise out of the specific facts outlined in this violation of the Elections Code, and the acts or omissions of the Commission, its members, agents or employees in handling the matter filed under Ethics and Elections Commission Case No. 13-1-0913-1. This release by the Director and the Commission does not preclude actions by other law enforcement agencies.


4. The Parties agree that the Commission's review of this settlement agreement does not preclude the Commission from hearing this case in the event that the Commission rejects this agreement and calls for a hearing, or in the event that CASE rejects any Commission modification of this agreement and requests a hearing.




5. The Parties agree that if CASE breaches this agreement, in any respect, the Commission will be entitled to hold a special meeting or a regular meeting to issue a determination that CASE has violated the Seattle Elections Code. Under the municipal code, the Commission may impose a fine of up to \$5,000 per violation, and may require costs that do not exceed the amount of any monetary fine.

6. The Parties agree that this settlement incorporates and supersedes any and all other oral and written agreements and assurances of any and all kinds between the parties, and that there are no other written or oral agreements that alter or modify this agreement.

7. This settlement is null and void if the Commission does not adopt it, or an amended version that is accepted by the parties, on or before October 31, 2013.

  
CASE  
Date: 10-29, 2013

  
Wayne Barnett, Executive Director  
Date: oct. 29, 2013